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**STATE BOARD OF EQUALIZATION**

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June 16, 1953

A Laundromat makes its charges on the following basis:

Wash	25 cents
Wash & Soap	30 "
Wash, Soap & Bleach	35 "

You inquire whether the soap and bleach may be purchased taxpaid by the Laundromat or whether it must report and pay sales tax on the theory that it is retailing the soap and bleach for 5 cents.

In our opinion, the application of the tax depends on whether the machines are operated by the customer or by the operator of the Laundromat. In other words, if the customer is merely charged an additional 5 cents because the operator uses additional soap or bleach in operating the machines, it is our opinion that the operator is merely using or consuming additional supplies in performing a service, and, accordingly, is merely passing on additional expenses of performing such an exempt service. This would be the situation, for example, if the customer merely "dumped" his clothes into the machine and did nothing further with respect to the cleaning operation. Of course, in this instance where the Laundromat is regarded as a consumer, the tax applies on the sale to it of the soap and bleach.

On the other hand, if the customer in particular instances is furnished the machine and soap for 30 cents, pours the soap into the machine and otherwise exercises or performs control over the operation other than "dumping" his clothes into the machine, it is our opinion that there has been a sale made of the soap to the customer, the gross receipts therefrom being 5 cents. The same rule applies with respect to the bleach.

If a particular Laundromat operates both ways so that it is properly regarded as a retailer of soap and bleach in certain instances and consumer of soap and bleach in other instances, it may purchase these items ex tax for resale pursuant to Sales and Use Tax Ruling 68, copy enclosed, and report on Line 2 of its own sales and use tax return, sample copy enclosed, the cost to it of that portion of those items which it thereafter is regarded as consuming. Of course, that which it is regarded as selling would be reported on Line 1. The alternative procedure for the Laundromat would be to purchase all soap and bleach taxpaid and, in accordance with Ruling 71, copy enclosed, deduct on Line 11 of its own return the cost to it of the soap and bleach which it is regarded as reselling.

W. W. Mangels  
WWM: tj